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CUTTING CORRESPONDENCE COSTS

The written word is expensive. Drafted or dictated correspondence costs from \$1.50 to \$2.00 per page. A glance at your files (and some simple multiplication) will confirm that this cost is a major one to the Organization.

But you can cut correspondence costs by careful planning to:

Avoid retyping and rewriting.

Write to express, not impress.

Prevent the creation of nonessential copies.

Use less expensive substitutes for costlier dictated or drafted correspondence.

AVOID RETYPING AND REWRITING

Follow Organization format standards and correspondence handling procedures. They were adopted after study of many tested systems and consideration of Organizationwide preferences and needs. They were established to provide the uniformity essential to efficient correspondence operations. Individual preferences for special formats and procedures lead to confusion over "what is standard" and contribute greatly to the amount of retyping required.

Limit retyping and rewriting to instances in which you can truthfully say "yes" to one of these questions:

1. Will the present version fail to bring the required results?
2. Will the paper create a deservedly bad impression of your

Office or of the Organization?

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3. Is the nature of the correspondence such that it must be reworked until absolutely no further improvement appears possible?
4. Would you, from the viewpoint of a taxpayer, say that the paper should be reworked?

The fact that much retyping and rewriting could well be eliminated does not imply that our standards should be lowered. It does suggest, however, that a piece of correspondence should be judged for adequacy on the basis of common sense rather than on trivialities, or personal preferences. There is a point where further improvements fail to justify spending more time in rewriting or retyping.

WRITE TO EXPRESS, NOT IMPRESS

Apply the "Four S Formula" to your writing: Shortness, Simplicity, Sincerity, and Strength. Concise, clear writing has a far-reaching effect. Less time is needed to prepare, read, and understand it. Misinterpretations are avoided; good relations are maintained. We can't all be literary masters. We can strive, however, to rid our writing of the more common barriers to effective communication. Here is a partial check list to guide you. Each "no" answer indicates a potential area for improvement.

1. Are most of your letters or memorandums less than a page long?
2. Is your average sentence less than 22 words?
3. Do you keep paragraphs short--less than 10 lines?
4. Do you know some good techniques for beginning your correspondence naturally and conversationally?

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5. Do you paraphrase items that do not call for a verbatim quotation?
6. Do you use personal pronouns freely, particularly "you"?
7. Do you know when the six little verb thieves, make, take, give, hold, have, and be rob your writing of its strength, as in made the decision rather than decided?
8. Do you prefer active verbs (the official read the letter) to passive ones (the letter was read by the official)?
9. Do you overwork prepositional phrases such as for the purpose of (for), with reference to (about, concerning), and many others?
10. Do you answer a question before explaining the answer?

PREVENT NONESSENTIAL COPIES

Copies are costly. They add to the volume of records the Organization must handle, store, and dispose of. They slow down typing operations. Often typing and proofreading time is doubled when that "one extra copy" makes two typings necessary. Put a price tag on each copy. Route a single copy to several offices if time and circumstances permit. State your copy needs specifically. Limit courtesy copies to essentials. Count your copies; make your copies count.

USE SUBSTITUTES

Is typed correspondence always necessary? If not, dash off a note by hand on an office memorandum form or on a transmittal slip.

Does every reply, concurrence, or approval call for a separate piece of correspondence? Provide for these initially when setting up the format of your paper.

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How about transmittal correspondence? Is it always necessary? Perhaps a handwritten routing sheet or transmittal slip will do. Or better still, consider revising the format of the material to provide spaces for "To," "From," and "Signature" and eliminate the transmittal correspondence entirely.

Does every instruction or decision have to be in writing? Consider handling more of your routine business by phone or personal contact if appropriate.

Does every letter or memorandum have to be drafted or dictated? Consider using form letters (or memorandums) and pattern correspondence whenever possible. They eliminate:

T. J. O'Connell

Form letters (and memorandums) are appropriate if the message:

1. Is recurring routine business or information.
2. Is not personal or will not bring grief or disappointment to the reader.
3. Has 5, 10, 15, or 20 lines and is used more than 30, 20, 15, or 10 times per month, respectively.

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Pattern letters (composed of selected pattern or sample paragraphs) are appropriate in lieu of form correspondence when the appearance of an individually typed letter or memorandum is called for.

When to use form and pattern correspondence as well as other cost-cutting techniques can be determined simply and inexpensively from an analysis of sample correspondence. Two sources are generally available -- reading files, or extra copies collected during a sampling period. Also, at headquarters your Records Officer or a member of the Records Management Staff is available to help you. From such a survey and the tips in this article you can achieve astonishing results in:

Better correspondence prepared by speedier, simpler, and more economical means.

Less correspondence to manage, store and dispose.

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C O N F I D E N T I A L
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PRINTING SERVICES TIPS

SOLVING APECO COPYING PROBLEM CAUSED BY DRY PAPER

Word has been received that in some Organization components, especially overseas installations, difficulty has been experienced in obtaining copies from Apeco and similar office copying machines because the paper dries out before use. Extreme heat and dryness adversely affect the performance of any paper containing a photographic emulsion. Dryness also causes the paper to curl, making it awkward to handle.

This problem can be reduced by meticulously adhering to instructions for stocking these papers. It is wise to store unopened packages in a cool place (refrigerated, if possible). When a package has been opened, keep the unused portion securely wrapped in its plastic container. If a paper safe is used, keep only a small quantity (one or two days' supply) of paper in it. Paper safes are available at headquarters from the Office of Logistics. Nomenclature for the letter-size paper safe is Cabinet, Photographic Storage, Print, Stock No. 6760-H03-0474; for legal-size safe, order Cabinet, Photographic Storage, Print, S/E Ejecto-O-Photo paper safe, Stock No. 6760-H03-0475. With a bit of ingenuity the safe may be made to serve as a humidity chamber. A sponge or tray of water inserted in the safe would tend to keep the paper plates from drying out.

In one instance where the above suggestions could not be followed or were not adequate to prevent dryness, a simple paper safe was constructed encompassing a humidity chamber. This was a light, tight box containing a shelf to hold the paper and an area beneath the shelf in which a tray of water was placed. A sliding door permitted the paper to be stored and removed as necessary, and also made it possible to insert and remove the water tray as required.

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PRINTING GUIDE LINE - SAVE MONEY BY USING THE WHOLE PAGE

Frequently reports, pamphlets, manuals, handbooks, in fact nearly every type of publication, contains pages not completely used in the printing. This uneconomical use of "white space" adds to the size of the publication/ and, as a result, increases printing costs. Persons responsible for copy preparation should keep the following important points constantly in mind:

1. Whenever possible, print on both sides of the sheet of paper; and
2. Save space on each sheet.

It is recognized that variety and technical aspects of different publications do not make it practical to establish format standards which would be uniformly applicable to all Organization publications. Nevertheless, the following is presented as a guide to using the printed page and thereby saving the Organization printing dollars.

If you are using an 8" x 10 $\frac{1}{2}$ " sheet of paper, leave two lines of blank space at the top of the page and then type the classification. Type the control phrase, if needed, and leave three lines of blank space. Commence typing the text of the report, using six-inch-long lines. The lines should begin about 1 inch from the left side of the paper. Thus, with a six-inch line, the right-hand margin should be about 1 inch also. It is not always possible to maintain this precise right-hand margin but every effort should be made to keep it as exact as possible. The text should use 52 lines or 8 $\frac{5}{8}$ inches of the page. Two lines of blank space should be left and then the classification should be typed. Page numbers should be typed on the same

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line as the classification. This will leave two spaces to the bottom of the page. If a control phrase is necessary, it should be typed directly beneath the classification. ~~(The format shown is printed in direct ratio to that described above.)~~ Since it is recommended that publications, when possible, be printed on both sides of the paper, odd page numbers should appear on the lower right and even page numbers on the lower left.

^{Organization}
If ~~Agency~~ reports adhered to this format, they would be shorter and considerable savings in printing costs would be realized.

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INSURANCE REPORT

Benefits totalling \$208 million already have been paid out under the Federal Employees' Group Life Insurance Program, which went into effect in 1954, Civil Service Commission reports

A total of 43,046 claims have been paid, including 13,948 for \$68,224,910 during the 12-month period ending last July 1.

The program is the world's largest of its type, with \$11 billion of insurance currently in force. It lets U. S. workers purchase life insurance in amounts equal to the next \$1000 above their annual salaries -- with Government paying a third of the cost.

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A COURAGEOUS EXECUTIVE, WE KNOW ASKED HIS SECRETARY TO GIVE HIM A MEMO OF HER VIEWS ON HOW HE COULD BE A BETTER MANAGER. SHE BROODED AND SCURRIED FOR A WEEK, AND THIS IS WHAT HE FOUND ON HIS DESK.
IF THE SHOE FITS

A SECRETARY TALKS BACK

MEMO

TO : Mr. _____

FROM: Miss _____

Dear Boss:

Frankly, I wasn't quite sure how to go about this job. No one has ever asked me to do anything quite like this before, and I doubt that many secretaries have been handed this particular assignment, though heaven knows they get asked to do almost everything else!

Anyway, I did decide that I wanted to come up with something useful instead of the usual gripe session about starting dictation after 4:30, giving unclear instructions, marking up letters in ink and then sending them out, and that sort of stuff. And saying "good morning," remembering birthdays, and what not. So I talked around the office with some of the other girls a little bit, trying to pick up some generalizations which would apply not just to you and your habits but to a good cross section of executives.

Each secretary I spoke to had something different to say, because naturally every office situation is shaped by the personalities involved. Some girls could suggest nothing -- maybe they had a high sense of loyalty or were honestly contented, or just had no critical ability. Others were practically impossible to turn off once they had started, and I found that though many of their comments were worthwhile, it

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very easily disintegrated into a petty kind of sniping session. Maybe some of this flavor still remains in my findings, but perhaps that is inevitable.

To begin with, a good many men seem to have missed the idea that you had when you asked me to do this job -- that they can improve their performance if they really think through how their secretaries can help them. This is really quite surprising considering that a man's closest office associate is usually his secretary -- and she is also the one who can upset him the most easily! So let me say at this point that your conscious attention to my job should be an example for your colleagues to follow.

Beyond that, most of the girls agreed on one thing: It is virtually impossible to do a top-notch job unless you are kept informed of what the boss is doing and just what his duties are. Though this "member of the team" stuff has been worked to death, a knowledge of the problems the boss is tackling helps greatly to stimulate the secretary's interest. If she just sees fragments and corners, it can be highly frustrating and confusing. You remember the famous story about the elephant: Six blind Hindus, according to the story, tried to describe an elephant. Each took hold of a different part of the animal -- tusk, ear, trunk, side, leg, tail. Each then described the elephant in a different way -- as a spear, fan, snake, wall, tree, rope.

It is to the executive's benefit for his secretary to be aware of the big picture. He can then entrust her with increasing responsibility with the assurance that she knows what it is all about.

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Furthermore, a girl who instinctively knows what projects are important, so they can be dispatched with speed and intelligence, can be of real help. Finally, anyone who works as closely as does a secretary likes to feel that she is important enough to know what's in the wind.

In some cases, a secretary has had a formal training period to prepare her for her job. In offices where this is not so, discussions and explanations from boss to secretary are helpful. Background reading is often useful if it is not so overwhelmingly voluminous that it discourages rather than instructs. But each executive should decide how best to train his own secretary -- the important point is not how he does it, but that he does it. The time it takes will pay great dividends.

And then there's responsibility. Some executives jealously guard their areas of authority, failing to realize that the more they can satisfactorily delegate to their secretary, the more interest she will take in her job, and the more time and energy he will have to devote to the activities that demand his special talents. He must size up her abilities to do this, but it often does not hurt to give her even a little more than you are certain she can handle. She may surprise you in either direction, but how wonderful if she fills the bill beyond your expectations!

By the way, in suggesting that executives give their secretaries more responsibility, I don't mean tossing some large project at them just because the boss is in a jam and can't handle it himself. I mean a regular, planned arrangement which involves a steady expansion of her responsibility as far as she can go.

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Many of the girls I spoke to had very definite feelings about organization and use of time. They wished that the boss would start his day by thinking out as completely as he could exactly what he was going to do. He might then read his mail (if he gets it fairly early in the morning) and arrange it in order of importance, shaping up the reply to each letter as he looks at it. Then enter the secretaries. Too often an executive calls his ~~girl~~^{secretary} into his office without the foggiest idea of how he wants to say what he has on his mind. So the organization takes place during dictation, an often slow and repetitious task with much reading back and changes. How much it would help if a man simply sat quietly in his chair for five minutes before starting and mentally sketched out his wording.

This kind of advance planning, incidentally, cuts down the crisis nature of too many offices. No secretary minds helping the boss out of a sudden emergency -- and interrupting her schedule of work to do it -- but a constant series of fires to be put out is disorganizing, irritating, and unnecessary.

All too many executives have obviously not reached their present posts because of their grasp of the spoken or written word. Some of them seem to have difficulty in expressing themselves, and though a good secretary can smooth out the letters (if she is literate herself), the result may be sterile and lack personality. Some men realize this lack of skill on their part and try to deal with it by writing out what they wish to say, and giving it to their secretary to type. But here enters another tragic flaw: many of the men are illegible! It is dynamic, no doubt, and a sign of having arrived to write carelessly, but pity the poor translator who is certain to be confounded

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by such a scramble!

Loyalty in the office is another very important matter, and on a two-way line. Any good secretary knows that one of her virtues is an ability to keep her mouth shut whenever she has even the slightest doubt that what she may say might embarrass or otherwise trip up her boss. Most of the girls in our office felt that their bosses were in general standing behind them, but said that some were likely to let their own errors be shouldered by their secretaries. It never stops being important to admit your own mistakes.

For some reason, an executive who may be extremely aware of the dignity of other people in an enterprise, and the independent significance of their jobs, may look on his secretary as a sort of chattel. I don't mean that he isn't perfectly pleasant and kind to her -- it's just that he seems to see her as a very close personal assistant whose job has no integrity of its own but is exclusively what he wants to make it. She becomes, then, just a mirror of his wants and needs instead of a person in her own right, filling a specific kind of responsibility in the company. Maybe this is why the popular cartoons and jokes always show the relationship as one involving some property rights for the boss! Incidentally, I suspect many executives look on their "assistant-to" in the same way.

Leaving aside the human relations angle, any boss who considers his secretary in such a light is wasting a great resource. She can make a far greater contribution both to the Organization as a whole and to the executive in particular if her job is clearly defined and important in its own right, rather than just a backslapping operation

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Thus, I would hope that the executives in our office -- you included -- would make a real effort to evolve their secretaries' jobs in the direction of "administrative assistants" or "executive secretaries". Not only would that make our lives pleasanter and more rewarding; it would step up the efficiency and productivity of everyone in the office.

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LANGUAGE TAPES AVAILABLE**

FOR TESTING BASIC AURAL COMPREHENSION

At the request of an Operating Division, the Assessment and Evaluation Staff of the Office of Training has recently developed a test to determine an individual's ability to comprehend simple verbal instructions in a given language. Results have indicated that the test will be a useful device for the selection of individuals whose language comprehension is sufficiently good to permit them to receive training. This test does not measure reading or writing skills, but is designed for use in specific situations involving ability to comprehend spoken languages. It has no relationship to the ^{Organization's} Agency's language aptitude and proficiency tests which are administered at headquarters for staff employees, and it should not be confused with them.

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The test is given by means of a tape recording. It takes about ³⁰ thirty minutes to complete and score, and does not require the administrator to know the language in question. The test consists of a booklet containing 75 sets of pictures, four pictures to a set. The subject must identify the picture in each set referred to by the voice speaking on the tape. The same test booklets are used for a variety of languages as the pictures are of activities generally applicable to many cultural areas.

Tests are now available in English, German, Russian, Latvian, Estonian, and Ukrainian. AAE can make tapes available in a variety of languages. Requests for these tests should state the language needed

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and the tape speed wanted. The only requirements on the user are that, where possible, the individual who is to administer the tests be briefed by a member of the A&E Staff, and that the results of the tests be sent to A&E so that research in this field can continue.

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AUTOMATIC TYPING

Electric typewriters automatically operated by a perforated paper tape are being used to save a substantial number of typing and proof-reading hours, especially in the preparation of textual materials which require editing and the revision of several drafts before the final text is typed.

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Briefly, these typewriters capture, in the form of holes in a paper tape, the data being typed. The perforated tape thus produced can then be inserted in the same typewriter and it automatically operates the typewriter to produce, at 120 words a minute, an exact duplicate of the original.

During the automatic typing operation the machine may be stopped to type manually changes or additional data. Information included in the original text but not wanted in subsequent retyping may be deleted.

The operational steps in the preparation of a report subject to editing by several different individuals, before the final text is agreed upon, might be as follows:

1. Simultaneously as the first draft of a report is typed, the typed data is captured in a tape.
2. The typed draft is proofread. Any resultant changes are made in both the draft and its tape.
3. The draft is distributed for concurrence. The tape is retained by the typist.
4. When edited copy of the first draft is returned, the changes found in all edited drafts are manually transferred to the original copy.

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5. The corrected original is given to the typist who inserts the tape produced from typing the first draft, in the reading unit of the machine. The machine then starts automatically to type the first draft. As additions, deletions, and other changes occur in the edited draft, the typist stops the automatic typing and manually types the changed material. As the automatic and manual typing is performed the machine captures both the automatically and manually typed data in a tape; thus, an updated tape for the second draft is produced at the rate of 120 words per minute.

6. Upon completion of the above operation, the manually typed data is proofread. (The automatically typed data does not require proofreading.)

7. The second draft is then distributed for concurrence. Its tape is retained by the typist and the old tape is destroyed.

8. All of the above steps are repeated for each successive draft. When the final draft is received, its tape is inserted in the reading unit of the machine and the finished report is automatically typed and does not require proofreading (except for the inconsequential number of changes that may have been made in the final draft.)

It is important to note that with each additional draft made the amount of manual typing and proofreading decreases while the amount of automatic typing increases. As a result, final reports are produced at a high rate of speed without error.

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SUGGESTION AWARDS PROGRAM

GOOD IDEAS ARE BIG BUSINESS

Since the present law went into effect in November 1954, employees of the Government have submitted one million suggestions of which over one-quarter million have been adopted.

In this ⁴³ forty-three-month period, ⁴³ 430 million dollars in measurable benefits have been realized, and 27 million dollars have been paid out in cash awards. Obviously good ideas are big business.

Our own record shows a tremendous gain over previous years. During fiscal year 1958 \$17,855 were paid to 84 Organization employees. This sum of money represents tangible savings of \$187,930 plus other intangible benefits. The net dollar benefits from suggestions in the first year of their adoption were more than triple those of the previous year. Also, the award payments (in dollars) were more than three times the amounts paid in fiscal year 1957. Each of the 84 employees, plus 16 employees who did not receive monetary awards, received Letters of Appreciation, copies of which were put into their Official Personnel Folders.

The adoption rate, also an improvement over fiscal year 1957, is due to the higher caliber of suggestions submitted. The significant award-winning ideas of this past year have attacked substantive and operational problem areas.

Your committee adopted as its theme for this fiscal year: "Supervisory Interest and Encouragement". To achieve this, the message is being carried to as many staff meetings as possible. The committee has also instituted a new procedure for rewarding the supervisor whose unit

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submits the most worthwhile suggestions. He receives a personal commendation signed by his Deputy Director, and a copy is put in his Official Personnel Folder.

The committee urges you to remember that your supervisor can help you develop your idea. Think it through. Talk it over. **SEND IT IN** through your supervisor; he can help make your idea bigger and better.

As a final word, we quote the President of the United States who, in a recent discussion of the Incentive Awards Program, said:

"Never has there been a more vital need for new ideas and superior performance in all fields of endeavor."

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RETIREMENT BILL SIGNED BY PRESIDENT

President Eisenhower has signed a new retirement bill which will benefit several thousand widows and widowers of deceased Federal employees.

It will let them pay back into the Civil Service Retirement Fund all or part of any contributions the deceased spouse may have withdrawn from the Civil Service Retirement Fund.

In this way, they can build up their survivorship annuities to the level they would have attained had there been no withdrawals from the Fund.

Federal employees who leave the service are permitted to withdraw their contributions. If they return, they ordinarily attempt to repay.

The new retirement bill was signed the day before the President signed the independent offices appropriation with its rider prohibiting retirement increases unless Congress first votes the necessary funds. That means the new bill will not be affected by the rider.

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LENGTH OF OVERSEAS TOURS OF DUTY

It is increasingly desirable to standardize as much as possible the length of overseas tours of duty of the various Career Services. Several of the Career Services have in the past adhered rather strictly to a two-year tour of duty in order to insure that the maximum number of key people received the benefits of overseas service. This objective has been largely accomplished. In consideration of the fact that at least some weeks are required after an employee reaches his overseas post before he is able to assume full responsibilities and that his last few weeks before departure for the States are used in part to phase out, a two-year tour in many cases is not economical. It is believed that in most instances the best interests of the Organization would be served by having employees either extend their tours for a third year or come to the States on leave following overseas assignment and return to their posts for a second two-year tour of duty. However, it is basically sound to make initial assignments for a two-year tour of duty in order to provide flexibility to both the Organization and the employee if for any reason at all it appears desirable to limit the tour of duty to two years.

Except for posts where, for hardship or other special reasons, a tour shorter than two years has been adopted, personnel will continue to be assigned to overseas posts initially for two-year tours of duty. Sometime after the completion of one year and before

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the completion of ¹⁵~~fifteen~~ months of overseas duty a decision should be made by the Head of the Career Service whether:

1. the employee returns home on a permanent change-of-station basis at the end of the two-year tour,
2. extends his tour for a third year, or
3. takes leave following overseas assignment and returns to his post for a second two-year tour of duty.

The Chief of Station should forward to headquarters his recommendation concerning the length of an employee's tour, taking into consideration the desires and comments of the employee and his supervisor. The appropriate Career Board will make its decision based on the need or desirability of the services of the employee in another assignment or the need to assign another employee to the overseas position in question. In all cases, the Career Board will notify the employee through his Chief of Station of the decision concerning the length of his tour.

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STATINTL



Did you know that at least one of every seven persons in your community will be hospitalized sometime this year?

Your GEHA Hospitalization and Surgical Benefits Insurance can help you pay costs of illness if you or a member of your family should be hospitalized or receive treatment in any licensed hospital or authorized clinic. Your administrative officer can give you the names of authorized clinics in your area.

KEEP YOUR HOSPITALIZATION and SURGICAL BENEFITS INSURANCE UP TO DATE!

NOW, premiums may be paid anytime by mail or inter-office mail; at headquarters, you can pay in person between 10:00 a. m. and 3:00 p. m. instead of just during the first 5 work-days of each month. Under certain circumstances, your premiums can be deducted from your salary.

GEHA, Inc.

10/15/88
Rec'd this
on [redacted]
to [redacted]
who said
it's ok
10/29/88
CEB said
not necessary
to send this
to [redacted]

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A COST PRIMER

Since the approval of Public Law 863 directing changes in the Government accounting and budgeting systems, a group of terms has come into use which seems foreign to those of us raised on terms such as allotments, obligations, and expenditures. The so-called new terms are basic to the cost side of accounting and budgeting and must become a part of our every-day operating language. In order that talks, discussions, articles, and regulations may be more meaningful to all of us, the fundamental cost terms are defined or described here.

COST is the use or consuming phase of operations. The dollar value of all items such as our salary and operational gifts and equipment that are used or consumed in doing our daily job are a cost of that job; the costs that all of us incur become a part of the cost of our organizational unit, of an activity, of a major program. A cost is incurred when employees have worked, a contract is completed, printing received, supplies and equipment issued to the person using them in his job. Thus cost is the final phase of the cycle of ordering, receiving, and using goods and services.

COST-BASED BUDGETS are plans for operations stated in terms of the use of goods and services as opposed to the ordering of such goods and services, which is our current obligation method of budgeting.

COST ACCOUNTING is that method which provides for the recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

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COST CENTER is a unit (organizational, project, activity) selected for the purpose of accumulating costs that can be identified with a single management responsibility. The record in which the cost data is accumulated is technically called a cost account. In discussion and writing these terms will be used interchangeably.

COST CLASSIFICATION is the grouping of data in such a manner that it will be most useful to management in discharging its responsibilities. The more common classifications are:

DIRECT COSTS — those which may be identified specifically with a given organization, project, or activity such as operational equipment used by a project.

INDIRECT COSTS — those incurred for joint organizations, projects, or activities such as station support. These costs are also called **OVERHEAD COSTS**.

CONTROLLABLE COSTS — those incurred as a result of orders by the management of an organization, project, or activity such as salaries, travel, transportation, equipment.

NONCONTROLLABLE COSTS — those incurred in rendering a service to an organization, project, or activity and not resulting from the direct order of the management of the organization, project, or activity such as Organization-owned transportation services.

STANDARD COST is a predetermined estimate of the amount that reasonably should be incurred under specified conditions by an organization, project, or activity. It has its greatest value as an aid to management in evaluating the actual cost of operations.

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COST CONSCIOUSNESS is an awareness on the part of management throughout all levels of the Organization of performance and the cost of doing business. This awareness is attention to two major aspects of cost:

1. The comparison of the actual direct and controllable costs of the operations for which the particular level of management is responsible with what those operations reasonably should cost; and
2. The cost effect of demands on others to furnish services to the operations.

The foregoing list of definitions is far from complete but does provide an introduction to cost terminology. In the months and years to come we will hear more about costs and our list of terms will grow.

This change in budgeting and accounting with emphasis on cost is not designed to create more problems of understanding but to provide information that enables management to make decisions on a more accurate and consistent basis.

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THIRD COMPTROLLER'S CONFERENCE

On 9 and 10 October 1958, the Comptroller sponsored a training conference for about fifty senior officers and supervisors of the SF Career Service to discuss career policies and technical issues. As at the two prior conferences, the use of a site away from headquarters routine and interruptions gave greater freedom for full discussion of complex issues, and provided an opportunity for SF personnel to become better acquainted under informal conditions. One purpose of the conference was to improve liaison between SF employees in the Office of the Comptroller and those assigned to other offices.

There was discussion of SF Career Service plans and policies, including such key personnel issues as training, hiring, rotation, promotion, career planning, the flexible table of organization, fitness reports, supervisory and managerial practices, and job descriptions. Also discussed were problems of overtime, the use of Electronic Data Processing Machines, budgetary cuts, grade structures, the vital documents program, vouchered and confidential funds procedures, and regulatory issuances.

Key issues at a later session were the Presidential budget policy; plans to handle funding reductions; the consolidation of budget submissions; simplified procedures; approval systems; and the technical treatment of object classes of expenditure, unliquidated obligations, man-year statistics, advances of funds, and reimbursements.

On the second day, procedural accounting questions were raised, including the definition of allotment obligations, the unliquidated obligations, and the no-year appropriation issue. Among the topics explained were the following:

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1. The Procedure for Issuance of Property Declared Excess without Property Authorization Charge,
2. The Procedure for Property Accountability at Type II Accountable Installations,
3. The proposal to issue a Headquarters Handbook on Adjustment of Allotment Charges for Detailed Personnel,
4. The status of the revision of the ^{Organization} ~~Agency~~ regulatory issuances on Comptroller operations [REDACTED] COMMIT
2/10
5. The revision of the Travel Issuances [REDACTED], and 25X1A
6. The Survey of Functions Performed by Budget and Fiscal Officers 25X1A
to establish Statement of Functions.

An explanation was given of the Financial Management Improvement Instructions and how they fit into the Organization program under recent legislation. The coordination of this Comptroller effort with Organization management and the rest of the Support structure will be discussed at the forthcoming conference of Administrative Officers. There was also a brief progress report on the allotment simplification system, the education program for cost consciousness, and the current cost experiments. In May 1959 the Comptroller will sponsor another two-day Cost Conference to prepare for the new required cost-based budget and related issues.

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OUT-PLACEMENT PROGRAM

The Out-Placement Program was established last February to provide guidance and assistance to Organization employees who have either become surplus to our program needs or who for personal reasons feel that a long tenure with the Organization would not be beneficial to either themselves or the Organization. The primary administrative objective behind the Out-Placement Program is to assist well-deserving employees to make an orderly transition from our service to other fields of employment.

Types of services furnished by the Out-Placement Branch are: (1) external employment guidance in terms of current job opportunities in Federal, state, and local governmental units; international organizations; universities; and private industry; (2) assistance in developing job resumes and appropriate employment data consistent with Organization employment status; (3) arranging for internal security and cover clearances, as required; and (4) arranging for specific external employment referrals and interviews.

Although the current labor market is, and has been, fairly tight, a number of successful out-placements have been made by this activity, largely through the efforts of the Out-Placement Branch in diagnosing transferrable skills of Organization employees and matching them with jobs in the same or related fields.

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This document is part of an integrated file. If separated from the file it must be subjected to individual systematic review.

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SELECTION-OUT PROGRAM

Early this year, the Director approved a program for the identification and selection-out of the Organization of individuals whose effectiveness is substandard, that is, persons who cannot meet Organization standards of work efficiency or conduct. He pointed out that the rapid rate of employment dictated by the requirements of the Korean period resulted in the appointment of some persons who have not been able to make a reasonable contribution in behalf of the Organization's objectives. At the same time, the Director emphasized the responsibilities imposed upon the Organization for undertaking this program with painstaking objectivity.

The procedures outlined below for carrying out this program aim to assure judicious and careful deliberation in all cases.

1. The Heads of Career Services and the Deputy Directors identify those individuals who are failing to meet Organization standards and refer recommendations for selection-out to the Director of Personnel.
2. An individual who is proposed for selection-out is informed of this fact by the appropriate Deputy Director or the Head of his Career Service and advised of the reasons.
3. The Director of Personnel reviews each selection-out proposal. In doing so, he holds hearings to develop the facts and advises the individual of appeal provisions.
4. Following his review, the Director of Personnel (1) recommends to the Director that the employee be terminated, or (2) accepts the individual's resignation and, in meritorious cases, may

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provide assistance in obtaining other employment, or (3) recommends or effects alternative actions such as reassignment with or without reduction in grade.

Cases formally proposed to the Director of Personnel for selection-out have been resolved by termination, resignation, reassignment or voluntary retirement when individuals were eligible. Up to mid-October, 56 cases have been resolved.

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**ACQUISITION AND DISPOSAL OF MOTOR VEHICLES AND PERSONAL PROPERTY AND
THE CONVERSION OF LOCAL CURRENCY**

The Operations Coordinating Board (OCB) has recently conducted a review of U. S. Government administrative policies and practices having a bearing on foreign attitudes toward U. S. personnel at overseas posts. As a result of this review, the Board has prepared a set of Guides, for use in developing regulations, pertaining to the importation and disposal of personal property, the acquisition and conversion of local currency, and the importation, operation, and disposal of motor vehicles. Copies of these Guides are being transmitted to all Chiefs of Diplomatic Missions and Commanders of U. S. Unified Commands with a joint message from State, Defense, USIA, and ICA requesting that the Guides be used as a basis for the adoption of uniform administrative policies and practices on these subjects. The contents of these Guides are quoted below for your information and guidance. Headquarters is currently reviewing Regulations with a view to making appropriate amendments thereto in general conformance with the policies and practices set forth in these Guides.

((1. The Guides set forth in this paper complete the action with regard to Recommendations 17 and 18 of the OCB Report on U.S. Employees Overseas. In commenting on this Report, the President, on April 24, 1958, said:

"The importance of building up good personal relations between foreign nationals and Americans who live and work overseas cannot be over-estimated."

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The Report itself noted that the attitude of foreign nationals toward the presence of Americans depends primarily on the extent to which individual Americans demonstrate common courtesy and good manners and exhibit a sense of responsibility in the discreet use of their personal property, particularly their automobiles. Having noted further that all of the administrative practices bearing on foreign attitudes need across-the-board and continuing emphasis at all levels both in agency headquarters and in American missions and commands abroad, the Report concluded:

‘The over-riding need is to instill in all Americans serving their government abroad an understanding of the fact that they are essentially guests of the host country and, as guests, are obligated to display normal good manners, to follow a reasonable standard of moral conduct, and to avoid acting superior to their hosts.’

// 2. Pursuant to the above, the Operations Coordinating Board has examined steps which might appropriately be taken to correct certain abuses concerning the importation and sale of personal property and transactions in local currencies. The Board has also examined steps which might appropriately be taken to eliminate or minimize the adverse impact upon the prestige of the United States of vehicles operated by U.S. personnel overseas.

// 3. As a result of these studies, the Board has concurred in the set of guides and rules set forth below for use in developing regulations which will apply to the importation and disposal of personal property, to the acquisition and conversion of local currency and to the importation, operation and disposal of motor vehicles, both official and those privately owned by U.S. Government employees overseas.

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" 4. Each Ambassador will be responsible for the development of regulations embodying these guides which will apply to all U.S. personnel and their dependents assigned or attached to diplomatic and consular offices in the country to which he is accredited.

" 5. Each Commander of U.S. Unified Commands will be responsible for the development of regulations which will apply to all U.S. personnel constituting his command and their dependents, but will exclude those U.S. Department of Defense military and civilian personnel assigned to diplomatic and consular offices.

" 6. While the guides in themselves will result in a substantial degree of common practice, Ambassadors and Commanders of Unified Commands should collaborate within the framework of existing relationships to avoid unnecessary differences in the treatment of the various categories of U.S. personnel and their dependents.

" A. General Guides Pertaining to Personal Property, Motor Vehicles and Foreign Currencies.

" 7. Regulations and procedures devised for application at the country level shall be consistent with regulations, customs and practices of the host country.

" 8. However, personnel shall not engage in any practices in the transaction of personal business abroad which may bring discredit on themselves or the U.S. Government.

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B. Guides Pertaining to Personal Property

9. Personal property shall be imported for the employee's use while at the post or station and not for sale.

10. Advance approval of the designated control officer, officers, or committee (hereinafter referred to as the "designated control authority") shall be obtained for:

a. Importation of items of high resale value after first installation shipment;

b. Sale or other disposal of personal property to other than U.S. Government personnel in extraordinary situations such as the transfer of the officer or employee from his place of assignment and then on condition that applicable local duties, taxes, or levies will be paid in compliance with local laws and regulations.

11. Sale of personal property usable world-wide such as photographic equipment, wrist watches, silverware, or fire arms, shall be restricted. This list will vary from country to country and it is assumed that a common-sense rule will prevail.

12. Control shall be exercised over initial purchase and resale of items acquired through U.S. Government-operated commissaries and post exchanges. Resale of consumables to locals by Americans or by local employees of the U.S. Government when they have commissary and post exchange privileges shall be prohibited.

13. Control shall be exercised over importation of highly salable commodities through U.S. Government channels of entry such as diplomatic pouch, APO and FPO parcel post, attache and special mission planes.

14. Undignified sales practices, such as auctions, "fire sale" type advertising, or use of employee's title or connection with U.S. Government, shall be prohibited.

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"C. Guides Pertaining to Motor Vehicles

" 15. Vehicles should be appropriately inconspicuous and unostentatious.

" 16. Uniform and mandatory motor vehicle inspection programs will be established to ensure highest standards of mechanical safety.

" 17. Driving permits and license plates will be issued only upon the successful completion of stringent driver-testing programs.

" 18. Appropriate restrictions on operation of vehicles by minors will be imposed.

" 19. Special markings on U.S. privately-owned vehicles will be curtailed.

" 20. Adequate liability insurance coverage with a reliable firm will be a prerequisite to the licensing of private motor vehicles. The reliability of a firm will be determined, in part, by its reputation for prompt settlement of claims or its willingness to guaranty prompt settlement of meritorious claims.

" 21. Where practicable, U.S. official vehicles will be inconspicuously painted and identified.

" 22. Consideration will be given to the suspension or withdrawal of driving permits of U.S. operators for reckless or drunken driving or negligence which causes death, bodily injury or substantial property damage.

" 23. Where appropriate, rationing or denial of tax-free gasoline will be initiated judiciously to limit operation of U.S. vehicles to conform to local situations.

" 24. Coordinated programs will be established to effect prompt settlement of claims arising from accidents involving U.S. vehicles, both under the provisions of United States claims legislation and those of vehicle insurance policies.

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"25. Sale of imported automobiles shall be limited to one per employee at a post except in circumstances which can be justified to and approved by the designated control authority.

" D. Guides Pertaining to Foreign Currencies.

"26. Foreign currencies for personal use shall be obtained through U.S. authorized channels. Subsequent conversion of local currency to dollar instruments by U.S. Government Disbursing Officers, where permitted, shall be reasonable in light of conditions prevailing within the country of assignment and shall bear reasonable relationship to amounts of local currency acquired through U.S. authorized channels. Conversions of local currency to dollar or other instruments will not be made for U.S. citizens other than U.S. Government personnel or their dependents except through U.S. personnel specifically responsible for doing so as part of their official duties.

"27. Payment of overseas post or station allowances shall be made in local currency to the extent that such expenditures are in local currency.

"28. Advance approval of the designated control officer shall generally be obtained for conversion of proceeds of sale to dollar instruments. (This does not authorize conversion where presently prohibited.)⁾⁾

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